

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 381 w/CS Local Govt/Expenses/Electronic Pymt.  
**SPONSOR(S):** Brandenburg  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 258

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Local Affairs (Sub)</u>	<u>8 Y, 0 N</u>	<u>Nelson</u>	<u>Highsmith-Smith</u>
2) <u>Local Government &amp; Veterans' Affairs</u>	<u>14 Y, 0 N w/CS</u>	<u>Nelson</u>	<u>Highsmith-Smith</u>
3) <u>State Administration</u>	<u></u>	<u>Brazzell</u>	<u>Everhart</u>
4) <u>Appropriations</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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### SUMMARY ANALYSIS

This bill deletes local governments' specific authority to transfer funds when the transfer does not represent an expenditure, advance, or reduction of cash assets. It provides that transfers made electronically, telephonically, or in other media may not only occur between depositories, within depositories, or to another institution, but may also pay expenses, expenditures, or other disbursements, evidenced by an invoice or other appropriate documentation.

This bill does not appear to have a fiscal impact upon state or local governments.

This bill takes effect July 1, 2003.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

**STORAGE NAME:** h0381c.sa.doc  
**DATE:** April 10, 2003

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |                              |                             |                                         |
|--------------------------------------|------------------------------|-----------------------------|-----------------------------------------|
| 1. Reduce government?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a “no” above, please explain:

#### B. EFFECT OF PROPOSED CHANGES:

##### **Background:**

As provided in s. 215.85(2), F.S., legislative intent for the "Direct Deposit of Public Funds Act" is to provide authorization for all public agencies and the judicial branch to *withdraw, pay, or disburse* public funds in their control by direct deposit to the account of the person entitled to receive such funds. Paragraph 1.01(3) defines “person” to include not only individuals but also all other groups or combinations such as firms or associations, and the Act defines “public funds” in part to include funds under the control of “the state, a county, or a municipality, including any district, authority, commission, board, or agency thereof”. Paragraph (4)(a) provides explicit authority for public funds to be paid in this fashion upon the written authorization of the person receiving the funds.

Subsection (5) specifically provides that a local government’s governing board or officer authorized to *withdraw or deposit* funds may *transfer* funds from one depository to another, within a depository, or to another institution, and to transfer funds “wherein the transfer does not represent an expenditure, advance, or reduction of cash assets.” Such transfers may be made by electronic, telephonic, or other medium, and each transfer must be confirmed in writing and signed by the designee of the governing board or officer of the local government.

Subsections 136.06(2) and (3), F.S., pertaining to county governments, contain nearly identical language as s. 215.85(4) and (5), described above.

##### **Proposed Changes:**

This bill amends s. 215.85, F.S., deleting local governments’ specific authority to transfer funds when the transfer does not represent an expenditure, advance, or reduction of cash assets. It provides that transfers made electronically, telephonically, or in other media may not only occur between depositories, within depositories, or to another institution, but may also pay expenses, expenditures, or other disbursements, evidenced by an invoice or other appropriate documentation.

#### C. SECTION DIRECTORY:

Section 1: Amends s. 215.85, F.S., deleting local governments’ specific authority to transfer funds which do not result in reduction of cash assets, and allowing certain governing boards or officers of any local government to electronically transfer funds to pay expenses evidenced by a valid invoice.

Section 2: Provides an effective date of upon becoming law.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: None.
2. Expenditures: None.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None.
2. Expenditures: None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: None.

### D. FISCAL COMMENTS: None.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision: Not applicable.
2. Other: None.

### B. RULE-MAKING AUTHORITY: Not applicable.

### C. DRAFTING ISSUES OR OTHER COMMENTS: Section 136, F.S., pertaining specifically to county governments, contains nearly identical language as is currently in s. 215.85, F.S. If s. 215.85, F.S., is interpreted to bar local governments from paying funds electronically, then even if this bill were to pass, county governments will still continue to be barred from paying funds electronically by s. 136.06, F.S.

## IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

The Local Government & Veterans' Affairs Committee adopted an amendment to resolve a technical drafting issue at its meeting on March 27, 2003.